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INFO RUEKJCS/SECDEF WASHDC PRIORITY
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E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)
SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 05/30/06

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- (1) FNN poll on Koizumi cabinet, political parties, post-Koizumi race, Yasukuni homage, education law, constitutional revision

SANKEI (Page 5) (Full)
May 30, 2006

Questions & Answers

(Figures shown in percentage, rounded off.)

Q: Do you support the Koizumi cabinet?

Yes	42.6	(48.8)
No	40.7	(35.5)
Don't know (D/K) + Can't say which (CSW)	16.8	(15.8)

Q: Which political party do you support?

Liberal Democratic Party (LDP)	35.8	(42.1)
Democratic Party of Japan (DPJ or Minshuto)	21.9	(17.4)
New Komeito (NK)	3.6	(3.5)
Japanese Communist Party (JCP)	2.9	(2.9)
Social Democratic Party (SDP or Shaminto)	1.5	(1.9)
People's New Party (PNP or Kokumin Shinto)	0.1	(0.2)
New Party Nippon (NPN or Shinto Nippon)	0.1	(0.1)
New Party Daichi (NPD or Shinto Daichi)	0.1	(0)
Other answers (O/A)	0.6	(1.1)
None	31.6	(27.7)
D/K + Can't say (CS)	2.1	(3.2)

Q: Who do you think is most appropriate for post-Koizumi leadership?

Taro Aso	4.0	(5.6)
Shinzo Abe	41.7	(47.0)
Sadakazu Tanigaki	1.6	(3.3)
Yasuo Fukuda	23.2	(18.3)
Taro Kono	1.4	(---)
Taku Yamasaki	0.8	(1.2)
O/A	15.5	(---)
D/K + inappropriate	12.0	(13.9)

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Q: Who do you think is most appropriate for prime minister among Abe and Fukuda, reportedly likely post-Koizumi candidates, and DPJ President Ichiro Ozawa?

Abe	40.8	(48.7)
Fukuda	20.8	(19.4)
Ozawa	21.7	(14.1)
D/K + inappropriate	16.8	(18.0)

Q: Do you think the outcome of the post-Koizumi race is up to each LDP faction's move?

Yes	50.1
No	32.7
D/K+CSW	17.3

Q: Abe and Fukuda belong to the Mori faction in the LDP. Would you like both Abe and Fukuda to run in the LDP presidential election?

Yes	72.0
No	13.8
D/K+CSW	14.3

Q: What do you think will be the primary point at issue in the post-Koizumi race?

Foreign policy, national security	21.0
Economic disparities	16.3
Economic policy	13.2
Administrative, fiscal reforms	7.7
Pension, other social security systems	23.7
Education, low birthrate	8.6
O/A	5.4
D/K+CS	4.2

Q: Do you think the next prime minister should pay homage at Yasukuni Shrine?

Yes	29.5	(38.0)
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No	50.6	(43.6)
D/K+CSW	20.0	(18.5)

Q: Do you think Prime Minister Junichiro Koizumi should pay homage at Yasukuni Shrine on Aug. 15 this year?

Yes	32.1
No	51.7
D/K+CSW	16.2

Q: Do you think DPJ President Ozawa has changed?

Yes	34.8
No	43.8
D/K+CSW	21.5

Q: Do you think the Diet should pass a government-introduced bill at its current session to amend the Fundamentals of Education Law?

Yes	32.2
No	45.5

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D/K+CSW	22.4
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Q: A government-introduced bill to amend the Organized Crime Punishment Law incorporates charges for conspiracy. Do you support this legislation?

Yes	44.2
No	35.5
D/K+CSW	20.4

Q: Do you think the Diet should pass national referendum legislation at the current session for amendments to the Constitution of Japan?

Yes	37.1	(38.1)
No	39.8	(36.5)
D/K+CSW	23.2	(25.5)

(Note) Parentheses denote the results of the last survey conducted in April.

Polling methodology: The survey was conducted by Fuji News Network (FNN) on May 27-28 over the telephone on a computer-aided random digit dialing (RDD) basis. For the survey, a total of 2,000 persons were sampled from among males and females, aged 20 and over, across the nation.

(2) Poll: 72% want Abe, Fukuda to run in post-Koizumi race

SANKEI (Page 2) (Abridged)
May 30, 2006

An overwhelming majority or 72% of the Japanese public would like both Chief Cabinet Secretary Shinzo Abe, 51, and one of his predecessors in the CCS post, Yasuo Fukuda, 69, to run in the ruling Liberal Democratic Party's presidential election set for September this year to pick Prime Minister Junichiro Koizumi's successor, according to findings from a public opinion survey conducted by Fuji News Network (FNN) on May 27-28. Abe stood at 41.7% support, with Fukuda at 23.2%. Meanwhile, Foreign Minister Taro Aso, 65, Finance Minister Sadakazu Tanigaki, 61, and all other post-Koizumi candidates had low public support. The post-Koizumi race is likely to be a one-on-one contest between Abe and Fukuda.

In the survey, respondents were asked to select the person who they thought would be appropriate for prime minister after Koizumi. Abe was down 5.3 percentage points from the last survey conducted in April but remained at the top. Fukuda was up 4.9 points, narrowing his margin with Abe to 18.5 points. Among other post-Koizumi candidates, Aso marked 4%, with Tanigaki standing at 1.6%, Senior Vice Justice Minister Taro Kono, 43, at 1.4%, and

former LDP Vice President Taku Yamasaki, 69, at 0.8%.

Respondents were also asked if they thought the next prime minister should pay homage at Yasukuni Shrine. In response to this question, 50.6% answered "no," with 29.5% saying "yes." Respondents were further asked if they thought Koizumi should pay homage at Yasukuni Shrine on Aug. 15 this year. In response, "no" accounted for 51.7%, with "yes" reaching 32.1%.

The approval rating for the Koizumi cabinet was 42.6%, down from the 48.8% rating in the last survey. The disapproval rating was

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40.7%, The margin between the approval and disapproval ratings has narrowed to 1.9 points. In the breakdown of public support for political parties, the LDP fell 6.3 points to 35.8%. Meanwhile, Ichiro Ozawa, 64, is at the helm of the leading opposition Democratic Party of Japan (Minshuto), and his party rose 4.5 points to 21.9% in public support.

(3) What underlies relations between Abe and Fukuda as rivals for LDP presidency (Part 4) - Diplomacy toward US, China: Playing up personal connections with current and former ambassadors

MAINICHI (Page 2) (Full)
May 29, 2006

On April 18, Chief Cabinet Secretary Shinzo Abe telephoned US Ambassador to Japan Thomas Schieffer. This phone call was intended for Abe to make a push to realize a meeting between abductee Megumi Yokota's mother Sakie and US President George W. Bush when Sakie visited the United States. Abe also told his longtime American friend, Deputy National Security Advisor Jack Crouch: "The meeting, if realized, could be taken as a symbolic event in Japan-US cooperation on the abduction issue." An official at the Japanese Embassy in the United States gave this testimony: "Mr. Schieffer's direct call to the president in response to Mr. Abe's request was pivotal in realizing that meeting."

Abe's response to the abduction issue has boosted his public support as a candidate to succeed Prime Minister Koizumi. Schieffer has shown an interest in the abduction issue and recently visited an abduction site in Niigata Prefecture. The ambassador has apparently been an important channel for Abe to make contact with the Bush administration.

Meanwhile, former Chief Cabinet Secretary Yasuo Fukuda in a speech delivered on May 27 criticized Koizumi's repeated visits to Yasukuni Shrine: "It's unwise to have a quarrel (in the area of foreign affairs)." The implication is that how to rebuild the currently icy relations with China will be an issue in the LDP presidential election.

Fukuda's China connections are symbolized by his ties with Chinese Ambassador to Japan Wang Yi. Last October, a China-Japan friendship concert was given at the Tokyo International Forum. Participants in the concert included Japanese singers who are popular in China, such as Risa Natsukawa and Noriko Sakai. Some 5,000 persons attended, most of whom were Chinese living in Japan. In the audience were Chinese Ambassador Wang Yi and his wife and Fukuda and his wife. A Chinese daily for Chinese residents living in Japan gave big play to the photo of Fukuda and his wife. Wang and former Chinese Ambassador to Japan Wu Dawei put high confidence in Fukuda. Veteran Diet members critical of Koizumi's visits to Yasukuni Shrine are looking forward to Fukuda's announcement that he will run in the presidential race.

Diplomacy has rarely been a campaign issue in past LDP presidential elections. But the upcoming election seems somewhat different. How to advance Asia diplomacy will likely be made an issue for the first time in the 34 years since the so-called "Kaku-Fuku (former Prime Ministers Kakuei Tanaka and Takeo Fukuda) war" in 1972, when Tanaka and Fukuda locked horns over the question of whether to normalize diplomatic ties with China.

However, it is not safe to simply conclude that Abe stresses strong ties with the US while Fukuda puts emphasis on relations with China. There is also a competition between them over their personal connections.

Evidence of this was seen in Fukuda's visit this month (May) to the US. During his stay in the US, Fukuda, who does not presently hold a cabinet post, was able to meet with key US administration officials, including Vice President Dick Cheney and Secretary of State Condoleezza Rice. These meetings were realized under the auspices of former US Ambassador to Japan Howard Baker, with whom Fukuda enjoys a relationship of trust he built while he was in office as chief cabinet secretary. Baker invited Fukuda to his residence. Fukuda boarded Baker's private jet to visit his residence in Tennessee. Looking back on past events, a senior Foreign Ministry official commented: "When Japan's foreign policy was in chaos during the days of Foreign Minister Makiko Tanaka, Fukuda served as de facto foreign minister. At the time, things were decided between Mr. Fukuda and Mr. Baker." The Bush administration's red-carpet treatment toward Fukuda during his recent visit to the US helped alter Fukuda's image of tilting toward China.

On the other hand, Abe, portrayed as a hard-liner toward China, has also kept channels of contact with Beijing. On Feb. 10, Abe met with Chinese Vice Foreign Minister Dai Bingguo. Their meeting lasted for more than one hour. On Feb. 13, Abe met with Jing Dunquan, chairman of the China-Japan Friendship Association. Abe frankly told Jing: "Having talks is important for improvement in relations. Meetings can help understand the other side well and dispel misconceptions." China, in protest against Koizumi's visits to Yasukuni Shrine, has refused to hold a summit between President Hu Jintao and Koizumi. On the other hand, China has kept in contact with the so-called post-Koizumi candidates. For instance, a senior Chinese government official met with Abe to "candidly exchange in-depth views," according to Vice Minister Dai.

(4) Hurdles still in store for Japan's early troop pullout from Iraq

TOKYO SHIMBUN (Page 2) (Full)
May 29, 2006

The government is accelerating international coordination to withdraw Ground Self-Defense Force troops currently deployed in the southern Iraqi city of Samawah. In the wake of Iraq's recent establishment of a permanent government, there are now high hopes within the Japanese government for setting about the GSDF's pullout as early as June. However, the Iraqi government's new cabinet has yet to be fully filled. Iraq cannot be expected to recover public security from its ongoing turmoil. There are still many hurdles to clear before the GSDF's pullout.

Iraqi Prime Minister Maliki, who heads the newly established government, has indicated that the multinational force can transfer its security powers to Iraq's police forces as early as June in the province of Al-Muthanna, which includes Samawah. This is why the Japanese government is expecting to recall the GSDF troops at an early date.

The government plans to recall the Samawah-based detachment of GSDF troops early this fall. If the multinational force's

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security powers are actually transferred to Iraq, the GSDF will move up its pullout schedule and will begin its pullout as early as late June. The GSDF can also expect to move all its Samawah-based troops to Kuwait in July. Britain and Australia also have troops in Samawah, so Japan is now coordinating with these two countries to withdraw in concert.

The government wants to begin the GSDF pullout in June. This timetable, however, is "only based on an optimistic view" that everything goes well, according to one government official. The present situation in Iraq still does not satisfy government-set conditions for the GSDF to pull out.

Japan has made it a general principle to decide on when to withdraw the GSDF troops in light of the political process in Iraq, the progress of reconstruction, the security situation in Iraq, and trends involving other countries' troops. The political process is about to meet one of the Japanese government's preconditions for the GSDF's withdrawal. However, the Iraqi cabinet has yet to appoint some key ministers, including the interior minister, who is in charge of public security.

Samawah is said to be comparatively safe. In mid-May, however, local police came under attack. Maliki's statement is apparently considerate of Iraqis who do not want the multinational force to stay on.

In the meantime, what is most likely to affect the timing for Japan's troop pullout is the United States, which wants Japan to keep its troops deployed in Iraq.

"Japan will continue its assistance with Iraq's nation-rebuilding efforts after the GSDF's withdrawal from Samawah," Prime Minister Junichiro Koizumi has reiterated. This is a message addressed not only to the Iraqi government but also to the US government.

Japan has already announced its commitment to loans worth approximately 80 billion yen for Iraq. The Air Self-Defense Force will continue its airlift missions. From now on, the ASDF will extend its transport flights to the capital city of Baghdad and also to that country's northern district city of Arbil, where the United Nations will set up an office for Iraq assistance. In addition, Japan is also coordinating with the United Nations and the United States to conduct airlift support for them.

However, there is still no favorable answer from the US government in spite of the Japanese government's arrangement for the GSDF's pullout.

Koizumi will visit the United States in late June. On that occasion, Koizumi will exchange views with President Bush about Iraq. However, one Japanese government source explained that Bush would treat Koizumi as a state guest to thank him for Japan's dispatch of troops to Iraq. "So," the source added, "it would be hard for the prime minister to say Japan will pull its troops out." It still seems difficult for Japan to recall its troops.

(5) Taro Kono issues manifesto for 2006 LDP presidential election that calls for consumption tax revenues to cover basic pensions, establishment of Ministry of Foreign Affairs and Trade

TOKYO SHIMBUN (Page 2) (Full)
May 28, 2006

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Taro Kono, senior vice minister of justice, finalized on May 27 a manifesto (a set of campaign pledges) for running in the Liberal Democratic Party (LDP) presidential election slated for September. The main features of the manifesto include pension system reform, the transfer of compulsory education authority to municipalities, and the establishment of a Foreign Affairs and Trade Ministry. He will formally issue the manifesto in early June.

Although Kono has yet to obtain support from 20 lawmakers, the number required if he is to run in the election, his manifesto will likely activate policy debate in the LDP.

As part of "fundamental pension reform," the manifesto advocates covering the basic portion of the system by consumption-tax revenue resources, abolishing the system of paying national pension premiums, and covering the proportional compensation

portion by a scheme of accumulating enough money to pay out the benefits.

In the foreign policy area, a Ministry of Foreign and Trade Affairs would be established by merging the Ministry of Foreign Affairs and the Ministry of Economy, Trade and Industry. Ambassadors to the United States, China, Britain, the European Union, Russia, South Korea, India the United Nations should be political appointees. The manifesto urges the establishment of an intelligence system, and it also calls for recognizing the Palestinians as a state.

The manifesto underscores the need for decentralization of education. It calls on the Education Ministry to transfer its compulsory education authority to municipalities, taking charge of implementing national achievement tests, as well as compulsory education expenses for remote areas and islands. The manifesto stipulates that the status and treatment of teachers and the right to decide education programs would be given to the members of municipalities' education boards.

Regarding political reform, the manifesto writes that in order to strengthen cabinet leadership the ruling camp's pre-screening of bills should be abolished. It also advocates that "establishment law" of ministries and agencies would be scrapped, and the cabinet would be in charge of employment, assignments, transfers and assessment of national public servants.

Main points of Kono manifesto

LDP reform

Factions to will not be allowed to involve themselves in appointments of government and party posts.

Diet members ejected from the party cannot rejoin it.

Education

Transfer the compulsory education authority to local municipalities. The Education Ministry would be in charge of national achievement exams and compulsory education for remote areas and islands. The education board members of municipalities would decide on the status and treatment of teachers and education programs.

Eighty percent of the revenues from homeland and residential

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taxes would go to local governments, which are the permanent addresses of residents, and 20% of the tax revenues would go to local government for compulsory education.

Improve and expand the scholarship system. Enable individuals to be self-sufficient after graduating from college. Lower the adult age to 18.

Substantial pension reform

Cover the basic pension portion by consumption tax revenue. Compensate those 65 or older whose income level is lower than a certain level. Abolish the government pension plan, the system to pay premium payments, and the Social Insurance Agency. Funds for the proportional benefits part would be collected from those who are up to 65 years old. A certain percentage of annual income would be collected as pension resources.

Medical services

Make it obligatory that cancer victims be registered. Substantially hike the tobacco tax rate in order to use the money for medical expenditures.

Foreign policy

Reorganize the Ministry of Foreign Affairs and the Ministry of Economy, Trade and Industry to establish a Foreign Affairs and Trade Ministry. Ambassadors to the US, China, Britain, the EU,

Russia, South Korea, India and the UN would be political appointees.

Rebuild Japan-US relations that are growing weaker. Revise the Japan-U.S. Status of Forces Agreement (SOFA).

Aim to bring in one million group tourists from China.

Set up an intelligence organization.

ion.

Reduce the ODA budget as much as possible and focus only on specific projects.

Recognize the Palestinians as a state and make a commitment to the Middle East peace process.

Political reform

Abolish the ruling camp's prescreening of bills.

Remove the ministries' establishment law and lay down cabinet authority.

The cabinet would employ, assign, and transfer national public servants.

Abolish the seniority-based appointments of management posts and introduce a political appointee system for certain-level posts and above.

Activation of Diet debate

Set rules for bills unnecessary to submit, deliberations and voting.

Decentralization

Transfer financial resources to local governments.

Environment

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Utilize bio-energy.

(6) METI new energy strategy presents numerical targets in five sections, including cut in degree of dependence on oil to 40%

YOMIURI (Page 2) (Full)
Evening, May 29, 2006

The Ministry of Economy, Trade, and Industry (METI) yesterday esterday morning submitted its new state energy strategy, a set of guidelines for new energy policy, to the Study Committee for National Resources and Energy, an advisory panel to the METI minister. METI in the new strategy reiterates the need to reinforce its energy security efforts given the intensifying global competition for securing resources and presents numerical targets in five sections, with 2030 set as the target year.

The five targets are: (1) reducing the degree of dependence on oil - the ratio of oil consumption to all energy consumed in Japan - from the present 50% to 40%; (2) improve the nation's entire energy efficiency by 30% as part of energy-saving efforts; (3) cut the degree of dependence on oil in the transport area, including autos, from the current 98% to 80%; (4) increase the ratio of nuclear power generation to total power generation from the current 29% to at least 30% to 40%; and (5) raise the ratio of independently developed oil to imports from the current 15% to 40%. METI plans to review the government's basic energy plan and put the new strategy into practice this fall or later.

As measures to promote the use of new energy resources, the strategy also calls for raising the maximum rate of the allowable volume of bioethanol fuel mixed with gasoline from the present 3% to 10% in 2020. It also includes Japan's commitment to promoting energy-saving policies in Asia as a whole.

Given sharp increases in demand for energy in China and India, the balance between supply and demand has become strained in recent years. The US and European countries have reviewed their mid- to long-term energy plans, for instance, by diversifying

energy suppliers. Japan has also been urged to come up with a new strategy to secure stable oil supplies, as the nation is wholly dependent on imports.

SCHIEFFER